

## Message Text

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FM AMEMBASSY PARIS  
TO SECSTATE WASHDC IMMEDIATE 5366  
INFO AMEMBASSY BONN  
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C O N F I D E N T I A L SECTION 01 OF 06 PARIS 19861

LIMDIS

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USIAEA

E.O. 11652: GDS  
TAGS: TECHN PARM, MNUC, PFORN FR, US.  
SUBJECT: US-FRENCH BILATERAL NEGOTIATION ON NUCLEAR  
NONPROLIFERATION ISSUES - GERARD SMITH'S PARIS VISIT,  
JULY 7,1977  
1. SUMMARY. DURING INITIAL NONPROLIFERATION BILATERAL  
OF GERARD SMITH WITH FRENCH OFFICIALS: BOTH SIDES  
STRONGLY REITERATED COMMON NONPROLIFERATION PURPOSE;  
FRENCH EMPHASIZED INTENTION TO PROCEED WITH ITS OWN  
NUCLEAR PROGRAM; FORMULATIONS ON MB-10 POLICY AND US-  
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EURATOM AGREEMENT RENEGOTIATION (SUBJECT TO FRENCH  
INFCE PARTICIPATION) WERE OUTLINED BY SMITH; FRENCH  
OUTLINED THEIR CONCEPT OF "PRELIMINARY ANALYSIS"  
PURSUANT TO SUMMIT DECLARATION, AND SUGGESTED INTERIM  
INTERNATIONAL REGIME; FRENCH STRONGLY RAISED PROBLEM  
OF CANADIAN DESIRE FOR REPROCESSING VETO, AND ASKED  
FOR US SUPPORT; MFA AWARENESS AND UNDERSTANDING OF US

POSITION SEEMED SOMEWHAT IMPROVED. END SUMMARY.

2. FOLLOWING DRAFTED BY US AND REVIEWED WITH GIRAUD AND GOLDSCHMIDT AS BRIEF RECORD OF US UNDERSTANDING OF RESULTS OF JULY 7 CONVERSATIONS:

A. A FURTHER "PRELIMINARY ANALYSIS" OF VIEWS AND OF THE APPROPRIATE ROLE OF THE (LONDON SUMMIT) SEVEN ON HOW BEST TO MEET ENERGY NEEDS AND ASSURE NON-PROLIFERATION GOALS WILL BE CONDUCTED DURING A MEETING OF THE "SEVEN" TENTATIVELY SCHEDULED TO START JULY 26 AT PARIS.

B. THE US WILL APPROVE MB-10S PRESENTED DURING THE INFCE STUDY; IT IS UNDERSTOOD THAT DURING THE STUDY THESE REQUESTS FOR REPROCESSING IN FRANCE WILL NOT EXCEED THE CAPACITY OF UP2 (THE INITIAL OXIDE FUEL REPROCESSING FACILITY AT LA HAGUE).

C. EVEN THOUGH SMITH NOTED THAT HE DID NOT EXPECT RENEGOTIATION OF THE EURATOM-US CONTRACT COULD BE COMPLETED DURING THE INFCE, GIRAUD EXPRESSED OPPOSITION TO ANY SUCH RENEGOTIATION.

D. THE FRENCH SIDE EXPRESSED SERIOUS CONCERN OVER THE CANADIAN POLICY REGARDING URANIUM EXPORTS UNDER WHICH IT WOULD RETAIN RIGHT OF APPROVAL OF REPROCESSING OF SPENT FUEL CONTAINING CANADIAN-ORIGIN URANIUM.  
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E. IF AN INTERIM NONPROLIFERATION REGIME COULD BE AGREED, A START SHOULD BE MADE ON PUTTING IT INTO OPERATION EVEN BEFORE THE END OF INFCE.

F. US AGREEMENT ON FORMULATIONS REFERRED TO IN POINTS B AND C ASSUMES FRENCH PARTICIPATION IN INFCE. FRANCE WILL MAKE A DECISION AS TO ITS PARTICIPATION FOLLOWING THE JULY 26 MEETING OF THE SUMMIT EXPERTS GROUP.

G. US CONTINUING INTEREST IN ADOPTION OF FULL SCOPE SAFEGUARDS POLICY BY ALL SUPPLIERS WAS STRESSED AND ITS HOPE TO AVOID COMPLETION OF SENSITIVE TECHNOLOGY TRANSFERS.

H. FRANCE HAS NOT CHANGED ITS POSITION ON PAKISTAN - IF ASKED BY PAKISTAN IT WILL WILLINGLY RECONSIDER. THE TWO EQUIPMENT CONTRACTS ARE STILL DELAYED.

3. COMMENT: THE US PARTICIPANTS ARE OF THE VIEW THAT IT WAS HELPFUL TO US OBJECTIVES TO HAVE MFA SENIOR

OFFICIAL PARTICIPATE IN DISCUSSIONS WITH GIRAUD AND US  
OFFICIALS AND HEAR GIRAUD'S OVERSTATEMENT OF US POLICY  
AND HAVE THESE SPECIFICALLY CORRECTED. WE FORMED

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C O N F I D E N T I A L SECTION 02 OF 06 PARIS 19861

LIMDIS

THE VIEW THAT THE NON-CEA PEOPLE DO NOT YET FULLY  
UNDERSTAND US POLICY OR ITS SPECIFICS AND THAT WE NEED  
TO KEEP THIS ASPECT IN MIND IN FUTURE DISCUSSIONS WITH  
FRENCH.

4. THURSDAY, JULY 7, GERARD SMITH HELD DISCUSSIONS  
WITH FRENCH OFFICIALS ON A RANGE OF NONPROLIFERATION  
MATTERS. MEETINGS WERE AS FOLLOWS: A BRIEF PRIVATE  
SESSION BETWEEN SMITH AND MFA SECRETARY-GENERAL  
SOUTOU; LARGER MEETING INCLUDING SMITH, BORIGHT, SALMON,  
SOUTOU, CEA ADMINISTRATOR GIRAUD, MFA NUCLEAR AFFAIRS  
DIRECTOR LOUET, DELEGATE GENERAL FOR ENERGY MENTRE,  
AND GOLDSCHMIDT; LUNCH JOINED BY AMBASSADOR HARTMAN;  
AND A FINAL MEETING WITH MINISTER OF FOREIGN AFFAIRS  
DE GUIRINGAUD, SOUTOU, LOUET, AMBASSADOR HARTMAN,

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SMITH, BORIGHT AND SALMON.

5. SOUTOU OPENED THE MORNING MEETING BY REFERRING TO GISCARD'S LETTER TO PRESIDENT CARTER WHICH EMPHASIZED NEED FOR A PRELIMINARY ANALYSIS "BECAUSE HEADS OF GOVERNMENTS WERE UNABLE TO DECIDE ON THE EVALUATION (INFCE)," AND THEN EXPLAINING THAT SUCH ANALYSIS SHOULD REFLECT TECHNICAL, ENERGY POLICY, AND NONPROLIFERATION VIEWS OF ALL PARTICIPANTS, COVERING BREEDERS, REPROCESSING, NONPROLIFERATION STRATEGIES, ETC. HE ADDED THAT GISCARD WANTS TO BE CERTAIN THAT FRANCE'S NUCLEAR INDUSTRIAL ACTIVITIES ARE NOT DISTURBED. HE SAID FRANCE WAS READY TO EXPLAIN ITS IDEAS IN THE PRELIMINARY ANALYSIS. HE SAID FRANCE'S SUPPORT FOR NONPROLIFERATION IS VERY STRONG, REFERRING TO DECISION AGAINST NEW SENSITIVE EXPORTS. MENTRE REVIEWED FRENCH NUCLEAR ENERGY PROGRAM, NOTING NEED FOR DIVERSIFIED URANIUM AND ENRICHMENT SOURCES AND FOR REPROCESSING AND BREEDERS. HE SAID THE ANALYSIS SHOULD TAKE INTO ACCOUNT ENERGY PROGRAMS, AND THAT PRESENT FRENCH PLANS SHOULD "STAND WITHOUT MODIFICATION."

6. SMITH GAVE GENERAL REVIEW OF PRESIDENT CARTER'S NUCLEAR AND NONPROLIFERATION POLICIES, STRONGLY DENYING ANY COMMERCIAL MOTIVATIONS OR URANIUM CARTEL (TO WHICH FRENCH REPS REPLIED THEY WERE QUITE CONVINCED OF SERIOUSNESS OF US NONPROLIFERATION CONCERNS AND LACK OF COMMERCIAL MOTIVATIONS). SMITH SAID PRESIDENT CARTER THINKS WE MUST GO BEYOND SAFEGUARD EFFORTS CONSIDERATIONS, AND ADDRESS THE WHOLE RANGE OF TECHNICAL AND INSTITUTIONAL MEANS BY WHICH WE CAN DECREASE THE THREAT POSED BY LARGE AMOUNTS OF SEPARATED PLUTONIUM WORLDWIDE; WE BELIEVE WE DO HAVE SOME TIME TO STUDY THE ISSUE, AND

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SHOULD NOT SEPARATE PLUTONIUM BEFORE IT IS NEEDED. INFCE IS NOT TO BE A US PRODUCT, BIASED TOWARD OUR VIEWS. THE US HAS NO INTENTION OF THREATENING NECESSARY ENERGY PROGRAMS OF OTHER COUNTRIES. WE WOULD LIKE TO KEEP TO PROPOSED SCHEDULE, AND WILL SOON BE COMMUNICATING AGAIN WITH OTHER COUNTRIES ON THE SUBJECT.

7. GIRAUD PROVIDED LENGTHY DESCRIPTION OF FRENCH CONCEPT OF "PRELIMINARY ANALYSIS." HE SAID WE HAVE

A "CATALOGUE OF STUDIES" FOR INFCE BUT IF WE START WITHOUT SOME IDEA OF WHERE WE WILL GO, IT WON'T HELP ANYTHING. THEREFORE WE SHOULD REVIEW ENERGY AND NONPROLIFERATION POLICIES EACH PARTICIPANT THINKS ARE BEST, AND FIND THE AREAS OF AGREEMENT AND DISAGREEMENT. INFCE WORK SHOULD FOCUS ON IMPLEMENTATION OF AREAS OF AGREEMENT AND STUDIES FOR RESOLUTION OF DIFFERENCES. WE HAVE MUCH COMMON GROUND FROM WHICH TO START AND SOME DIFFERENCES:

A. ON SAFEGUARDS, WE AGREE THERE SHOULD BE IMPROVEMENT. WE DIFFER ON LIMITS, POLITICALLY, I.E.

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C O N F I D E N T I A L SECTION 03 OF 06 PARIS 19861

LIMDIS

EFFECTIVENESS OF ADOPTING FULL SCOPE POLICY; WE CAN STUDY THIS.

B. ON FUEL SUPPLY, WE AGREE THAT RESOURCES AND GUARANTEES OF SUPPLY SHOULD BE STUDIED. WE DIFFER IN THAT FRANCE BELIEVES SPREAD OF ENRICHMENT TECHNOLOGY, DUE TO EASE OF USING HEU, IS GREATER PROBLEM THAN

PLUTONIUM; AND THAT CENTRIFUGE TECHNOLOGY, DUE TO SHORT TIME NEEDED TO CONVERT EXISTING LOW-ENRICHMENT PLANT TO HIGH-ENRICHMENT, POSES GREAT RISK. THIS HAS LED FRANCE TO PUT FORWARD A NEW CHEMICAL PROCESS WHICH DOES NOT HAVE THAT PROBLEM.

C. RE NEED FOR REPROCESSING, MOST NUCLEAR POWER PROGRAMS AND LICENSING, RESOURCE, AND SPENT FUEL PLANS ARE BASED ON ASSUMPTION OF REPROCESSING. RECYCLING IN  
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LWRS SAVES 50 PERCENT OF URANIUM, AND IN BREEDERS EXTENDS BY A FACTOR OF 50. ALL SUPPLIERS AGREE ON AVOIDING THE SPREAD OF PLUTONIUM BUT DIFFER ON HOW BEST TO AVOID IT. THE US PROPOSES NO REPROCESSING, WHILE OTHERS DO NOT BELIEVE THIS IS PRACTICAL. GIRAUD SAID WE DO NOT KNOW HOW TO STORE FUEL LONG-TERM AND STORAGE INCREASES RISKS ULTIMATELY TO BE FACED. ALSO, NON-REPROCESSING BY ADVANCED COUNTRIES WOULD INCREASE URANIUM CONSUMPTION. THE US HAS PROPOSED WAYS TO DEAL WITH THESE ISSUES: TRY TO FIND A WAY TO STORE, TO INCREASE ONCE-THROUGH UTILIZATION, TO DEVELOP THORIUM CYCLE. IT IS NOT OBVIOUS THE LATTER IS AN ANSWER TO THE PLUTONIUM PROBLEM, SINCE EVEN DENATURED FUEL PRODUCES PLUTONIUM, AND SEPARATION OF U-233 FROM U-238 IS EASIER THAN SEPARATION OF PLUTONIUM FROM SPENT FUEL.

8. GIRAUD SAID THERE IS ANOTHER WAY TO DEAL WITH SPREAD OF PLUTONIUM. WE ALL ACCEPT AS STARTING POINT THAT PLUTONIUM WILL BE WIDELY AVAILABLE IN SPENT FUEL, AND THAT IT IS DIFFICULT TO GET OUT. WE SHOULD ESTABLISH NEW INDUSTRIAL PATTERN WHEREIN REPROCESSING IS DONE IN ONLY A FEW PARTICULARLY SAFE PLACES WITH INTERNATIONAL OR MULTINATIONAL SUPERVISION. REPROCESSING AND FABRICATION WOULD BE COMBINED AT ONE POINT, PURE PLUTONIUM NEVER SEPARATED AND FABRICATED FUEL (1 PERCENT PU FOR LWR RECYCLE, 20 PERCENT FOR BREEDERS) IRRADIATED FOR A FEW DAYS BEFORE SHIPMENT. PRODUCE WOULD HAVE SAME CHARACTERISTICS AS SPENT FUEL. IT IS NOT DIFFICULT, HE SAID, TO PUT THIS INTO EFFECT AS AN INTERIM REGIME: WE ONLY NEED DECIDE. THEN THERE WILL BE NO NEED FOR RESTRICTIONS ON NUCLEAR POWER, AND MUCH FRICTION WOULD BE REMOVED. IF INFCE PRODUCES A BETTER CONCEPT, THAT ALSO CAN BE IMPLEMENTED.

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9. SMITH SAID ALTHOUGH SOME DIFFERENCES OF FACT EXISTED THIS CONCEPT OF PRELIMINARY ANALYSIS SEEMED WORKABLE AND IDEAS FOR REDUCING THE NEED FOR PRODUCING PLUTONIUM WERE WHAT US HOPED TO STIMULATE DURING THE INFCE. HE ADDED THAT OTHER COUNTRIES MAY NOT ACCEPT DISCRIMINATION IN TERMS OF FUEL CYCLE ACTIVITIES. HE ASKED, THEREFORE, FOR MORE EXPLANATION OF "INTERNATIONAL MANAGEMENT."

10. GIRAUD SAID THAT ECONOMICS OF SCALE COULD DETERMINE LOCATION OF PLANTS: AFTER PRESENT LOCATIONS, PLANTS IN FRG AND JAPAN WOULD BE LOGICAL. BY THE YEAR 2000, STILL ONLY SIX OR SEVEN COUNTRIES HAVE ECONOMIC NEED TO REPROCESS. IT IS POSSIBLE TO ENVISION SHAREHOLDING (SIMILAR TO EURODIF). ONE OF THESE COUNTRIES IS RECEPTIVE, THE OTHER RELUCTANT. IN THE NEXT TWO YEARS, DURING INFCE, ONLY OPERATING PLANT IS LA HAGUE, AND FRANCE CAN FOR THAT PERIOD AVOID REEXPORTING PLUTONIUM.

11. GIRAUD SAID, HOWEVER, THERE IS A PROBLEM WITH THIS CONCEPT OF MOVING ON WITH "PRELIMINARY ANALYSIS" AND INFCE: IF "CANADA AND THE US ANNOUNCE NO REPROCESSING WILL BE APPROVED, THE OUTCOME IS PREJUDGED." HE REFERRED TO DISCUSSIONS WITH THE US ON REPROCESSING JAPANESE FUEL, AND SAID IF INTERIM MEASURES ABOVE ARE TAKEN ALL REPROCESSING SHOULD BE ALLOWED. IF WE CAN'T REPROCESS, "REACTORS WILL STOP." SMITH REPLIED THAT WE HAVE MADE CLEAR THIS IS NOT OUR INTENTION, AND WE REVIEW RETRANSFER APPROVALS TO ASSURE THAT THIS WILL NOT HAPPEN. HOWEVER, HE COULD NOT SEE US APPROVALS TO COVER COMPLETELY NEW REPROCESSING PLANTS. HE NOTED THAT AN INTERIM REGIME DID NOT NOW EXIST, AND SAID HE UNDERSTOOD THE FRENCH PROGRAM DID NOT NEED THE PLUTONIUM FROM PROJECTED NEW PLANTS AT LA HAGUE. GIRAUD AGREED, BUT SAID IT IS A MATTER OF PRINCIPLE. REPROCESSING SCHEDULE  
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IS IN ADVANCE OF PLUTONIUM NEEDS, BUT FRANCE CONSIDERS

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C O N F I D E N T I A L SECTION 04 OF 06 PARIS 19861

LIMDIS

IT A NONPROLIFERATION CONTRIBUTION TO PERFORM REPRO-  
CESSING SERVICES. GIRAUD RETURNED TO QUESTION OF  
CANADIAN RIGHTS OF APPROVAL ON REPROCESSING OF CANADIAN-  
ORIGIN URANIUM, AND ASKED IF THE US WOULD AGREE TO TALK  
TO CANADA AND PERSUADE THEM NOT TO PRESS THIS POLICY.  
SMITH SAID HE DID NOT THINK THE US SHOULD ADVOCATE  
FRENCH VIEWS TO THE CANADIANS. FURTHER DISCUSSIONS  
REPORTED BELOW.

12. WITH REGARD TO RENEGOTIATION OF US/EURATOM AGREE-  
MENT TO OBTAIN US APPROVAL RIGHT OVER REPROCESSING,  
SMITH SAID IT CLEARLY WOULD TAKE SOME TIME, AND HENCE  
WOULD NOT CONSTITUTE ANY PROBLEM DURING INFCE OF COM-  
PROMISING FRENCH PROGRAMS. FRENCH PARTICIPANTS DID NOT  
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OBJECT TO THIS FORMULATION BUT CLEARLY WOULD PREFER NO  
RENEGOTIATION.

13. LUNCHEON TOPICS INCLUDED MB-10S AND LA HAGUE AND  
AGAIN, AT FRENCH INSISTENCE, THE CANADIAN POLICY OF  
VETO OVER REPROCESSING OF ITS URANIUM. AFTER DISCUSSION,  
THE US POSITION WAS CLEARLY STATED AS CONTEMPLATING  
APPROVAL OF MB-10S PRESENTED DURING INFCE THAT INVOLVED  
REPROCESSING IN UP2 (THE INITIAL FACILITY AT LA HAGUE-



400T BUILT AND 400 UNDER CONSTRUCTION) BUT NOT APPROVE MB-10S FOR FUEL REPROCESSING FOR UP3. GIRAUD SAID THAT FRANCE WAS GOING TO GO AHEAD WITH THE SCHEDULED DEVELOPMENT OF LA HAGUE WITH OR WITHOUT FIRM OUTSIDE SUPPORT AS THE FULL CAPACITY OF 3000 PER YEAR WAS NEEDED EVENTUALLY FOR THE FRENCH PROGRAM (GIRAUD SAID 3000T AS FULL LA HAGUE SCHEDULED CAPACITY). WITHOUT JAPANESE COMMITMENT THE UP3, THAT FACILITY MAY BE DELAYED THREE OR FOUR YEARS, BUT FRANCE COULD LIVE WITH THAT. THUS, AS LONG AS THE US WOULD BE RESPONSIVE TO MB-10S PRESENTED DURING INFCE AND NOT MAKE A NEGATIVE DECISION ON FUTURE MB-10S, FRANCE COULD ACCEPT THIS UNDERSTANDING AND THE MB-10 MATTER SHOULD NOT BE A FURTHER BARRIER TO FRENCH PARTICIPATION IN INFCE.

14. GIRAUD AGAIN PRESENTED FRENCH CONCERNS ABOUT THE CANADIAN POLICY OF VETO OVER REPROCESSING OF ITS URANIUM AS THE MOST PRESSING AND SERIOUS PROBLEM FRANCE IS FACED WITH IN THIS AREA. IF THE CANADIAN POLICY WAS ACCEPTED, AUSTRALIA WOULD FOLLOW SUIT AND POSSIBLY AFTER THAT GABON, NIGER, ETC. FRANCE COULD NOT PERMIT THESE URANIUM SUPPLIERS TO DICTATE FRENCH DOMESTIC ENERGY POLICY. GIRAUD ASKED THAT IN THE NEXT MEETING OF THE SEVEN THE US AGREE TO SIDE WITH FRANCE AND OTHERS  
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ON THIS MATTER TO FORCE THE CANADIANS TO BACK OFF ITS POSITION. SMITH SAID HE COULD NOT FORESHADOW ANY US POSITION ON THIS SCORE.

15. BORIGHT EXPLAINED PENDING US LEGISLATION AND US UNDERSTANDING OF THE CANADIAN POLICY, NOTED THAT CANADA HAD PROPOSED TO THE US TO SET UP AN INFORMATION EXCHANGE PROCEDURE TO MINIMIZE PROBLEMS OF DUAL REVIEW IN THE MATTER OF URANIUM SALES TO JAPAN, AND NOTED THAT CANADA HAD STATED IT WOULD NOT PRESS ITS VETO DURING THE INFCE.

16. REFERRING TO THE UPCOMING SECOND MEETING OF THE LONDON SUMMIT GROUP OF EXPERTS, GIRAUD SAID THAT THE PRELIMINARY ANALYSIS SHOULD CONTAIN A STATEMENT ALONG THE LINES --- THAT THE SEVEN AGREE THAT NO ONE OF THE SEVEN WOULD FORCE ON ANOTHER OF THE SEVEN ANY CONDITION THAT WAS NOT AGREED BY ALL OF THE SEVEN. GIRAUD WAS NOT PRECISE ON WHAT THIS STATEMENT MEANT; HE GAVE THE IMPRESSION THIS WOULD BE IN EFFECT DURING INFCE AND AFTER. IF THE US AGREED TO THIS, THEN CANADA WOULD HAVE TO ACCEPT AND THUS ITS VETO POLICY WOULD NOT BE POSSIBLE. SMITH AND BORIGHT COMMENTS POINTED OUT THE US COULD PROBABLY NOT AGREE TO SUCH A STATEMENT. US COULD

OFFER NO HELP TO THE FRENCH VIEW ON CANADA BUT COULD  
OFFER TO WORK IN GOOD FAITH THROUGH INFCE TOWARD COMMON  
GUIDELINES TO ALLOW FUEL CYCLE PLANNING. CANADA HAD  
AGREED TO POSTPONE THE EFFECT OF ITS POLICY UNTIL AFTER  
INFCE.

17. ON FULL SCOPE SAFEGUARDS, ISSUE RAISED BY SMITH,  
SOUTOU SAID FRANCE COULD NOT NOW ACCEPT THIS POLICY.  
GIRAUD EXPLAINED THAT IN THE FRENCH VIEW IT WAS NOT  
CLEAR THAT THIS IS THE MOST EFFECTIVE WAY TO IMPLEMENT  
NONPROLIFERATION OBJECTIVES. GIRAUD BELIEVES THIS WILL  
FORCE SOME COUNTRIES WITH ALMOST THE CAPABILITY TO  
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BUILD A BOMB TO MAKE THE DECISION NOW TO GO AHEAD RATHER

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AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY ROME

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LIMDIS

THAN GIVE UP THE OPTION NOW. THE US PARTICIPANTS EXPLAINED THAT THE US FORMULA DOES NOT REQUIRE A TREATY COMMITMENT NOW, BUT DOES REQUIRE SAFEGUARDS BE APPLIED TO ALL EXISTING FACILITIES. GIRAUD FELT THIS LATTER ASPECT WOULD FORCE FRANCE TO LOSE SOME BUSINESS WHERE HE BELIEVED THAT SUCH BUSINESS WOULD NOT CONTRIBUTE TO INCREASING THE PROLIFERATION POTENTIAL OF THE CONSUMING COUNTRY. GOLDSCHMIDT ASKED IF THE US APPROACH WAS RETROACTIVE - WOULD WE NOT DELIVER ON AN EXISTING CONTRACT IF ALL FACILITIES WERE NOT PUT UNDER SAFEGUARDS. THE ANSWER WAS GIVEN THAT THE US WOULD NOT IMPOSE THIS AS A UNILATERAL ACTION, BUT WOULD SEEK IT THROUGH RENEGOTIATION. AFTER GIRAUD ASKED ABOUT OUR POLICY TOWARD ISRAEL, BORIGHT BRIEFLY REVIEWED KEY CASES, CONFIDENTIAL

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INCLUDING ARGENTINA, SOUTH AFRICA, INDIA AND ISRAEL, NOTING THE US FELT IT HAD A GOOD CHANCE TO ACHIEVE FULL SCOPE SAFEGUARDS WITH SEVERAL, BUT ISRAEL WAS THE TOUGHEST ISSUE. GIRAUD ASKED ABOUT LIBYA, EGYPT AND TUNISIA, CLAIMING THESE WERE ALSO PROBLEMS. IN SUM, FRANCE IS NOT NOW PREPARED TO ACCEPT THIS APPROACH TO SAFEGUARDS. IT APPEARED THAT THE MATTER HAD NOT BEEN WELL STUDIED WITHIN THE GOF AND THAT THE CEA WAS NOT PREPARED TO SUPPORT IT FOR LACK OF UNDERSTANDING THE EFFECT ON ITS PERCEIVED EXPORT BUSINESS POTENTIAL.

18. THE MEETING WITH GUIRINGAUD BEGAN WITH A STEP-BY-STEP REVIEW BY HIM OF FRENCH COMMITMENTS TO NON-PROLIFERATION OBJECTIVES, A DOMESTIC NUCLEAR ENERGY PRODUCTION PROGRAM, AND A VIABLE INDUSTRY TO MEET FRENCH NEEDS WITH SOME QUALITY OF INDEPENDENCE. FRANCE UNDERSTANDS PRESIDENT CARTER'S NONPROLIFERATION OBJECTIVES, HE SAID, AND HAS TAKEN STEPS ITSELF TO MEET SIMILAR ENDS: THE NEW FRENCH COUNCIL ON NUCLEAR EXPORT POLICY HAS STOPPED THE EXPORT OF SENSITIVE TECHNOLOGIES. FRANCE SEES LIMITS TO URANIUM RESOURCES, CONTINUATION OF INCREASE IN OIL PRICES, INCREASES IN ENERGY NEEDS; THEY HAVE DEVELOPED A SOUND NUCLEAR INDUSTRY, BUILDING ON A LICENSE FROM WESTINGHOUSE, INTO COMMERCIAL LIGHT-WATER REACTORS, REPROCESSING, BREEDER REACTORS; AND BY THE LATE '80S WILL DEPEND IN GOOD PART ON NUCLEAR ENERGY. FRANCE CANNOT ACCEPT ANY MOVES BY THE US WHICH WILL INTERFERE WITH THIS DOMESTIC FRENCH PROGRAM. FRANCE NEEDS REPROCESSING FOR ITS BREEDER PROGRAM. AT THE MAY LONDON SUMMIT THE FRENCH PRESIDENT AGREED WITH THE OBJECTIVES OF THE US-PROPOSED INFCE, BUT WANTED TO BE VERY CERTAIN OF ITS SCOPE AND ITS

INITIAL CONDITIONS AND ASSUMPTIONS.

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19. SMITH SAID PRESIDENT CARTER APPRECIATES FRENCH VIEWS ON NONPROLIFERATION GOALS. HOWEVER, HIS POLICY MAY STILL BE MISUNDERSTOOD ABROAD. HE HAS NOT SAID NO REPROCESSING OR NO TO BREEDERS BUT THAT WE NEED NEW WAYS TO COPE WITH PLUTONIUM BEFORE IT GETS INTO ANY NECESSARY GENERAL USE. NEW APPROACHES, SUCH AS SUGGESTED BY GIRAUD (MIXED OXIDE PLUS PREIRRADIATION) MIGHT BE HELPFUL, NEW INTERNATIONAL INSTITUTIONS NEEDED TO COVER FUEL CYCLE SERVICES, ETC. HE NOTED THAT THE US POSITION, MADE CLEAR DURING MORNING AND LUNCH DISCUSSIONS, WAS TO MEET EXISTING FRENCH FACILITY NEEDS AT LA HAGUE (MB-10S DURING INFCE FOR UP2 NOT FOR UP3). INFCE HOPEFULLY WILL RESULT IN RECOMMENDATIONS IN THE INDUSTRIAL, POLITICAL AND TECHNICAL AREAS THAT MAY TAKE YEARS TO FULLY IMPLEMENT BUT ALL SHOULD BE

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ACTION EUR-08

INFO OCT-01 EA-06 NEA-07 ISO-00 SS-14 ACDA-10 SSO-00

NSC-05 NSCE-00 IO-06 PM-03 SP-02 L-01 PRS-01

INR-05 INRE-00 CIAE-00 DODE-00 USIE-00 OES-02

EURE-00 EB-04 /075 W

-----104460 081549Z /46

O R 081417Z JUL 77

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 5371

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY ISLAMABAD

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY VIENNA

C O N F I D E N T I A L SECTION 06 OF 06 PARIS 19861

LIMDIS

WILLING TO MOVE IN THE DIRECTIONS NECESSARY FOR MINIMIZING PROLIFERATION DANGERS. WIDE PARTICIPATION ALREADY IN THE IAEA AND THE NPT AUGERS WELL FOR WORLD-WIDE FOLLOWING OF THE RESULTS OF INFCE AND CONTINUING SUPPORT FOR NONPROLIFERATION CONSENSUS.

20. THE MINISTER ASKED ABOUT SOVIET PARTICIPATION NOTING THAT DURING THE BREZHNEV VISIT TO PARIS THE SOVIETS APPEARED TO HAVE LITTLE OR NO KNOWLEDGE OF INFCE. HE ALSO ASKED ABOUT CHINA'S PARTICIPATION. HE WAS TOLD THAT THE SOVIETS HAD AGREED TO PARTICIPATE AND THIS ISSUE HAD NOT BEEN RAISED WITH CHINA.

21. ON THE MATTER OF THE PAKISTAN REPROCESSING PLANT,  
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THE MINISTER STATED THAT THE FRENCH POSITION HAD NOT CHANGED: FRANCE WOULD KEEP ITS WORD BUT WOULD BE GLAD TO CHANGE IF ASKED BY PAKISTAN. THE CHANGE IN GOVERNMENT IN PAKISTAN DOES NOT "HASTEN" FRANCE TO MOVE ON THE DELAYED APPROVAL OF THE FINANCING GUARANTEES FOR THE TWO CONTRACTS ON EQUIPMENT. THE MINISTER STATED THAT THE PAKISTANIAMBASSADOR IN PARIS HAD CALLED ON SOUTOU ON JULY 6, TO SAY THAT THE MILITARY ADMINISTRATION WAS AS INTERESTED IN PROGRESSING WITH THE REPROCESSING PLANT AS THE BHUTTO GOVERNMENT. APPARENTLY, THE MILITARY DID NOT WANT TO TAKE ANY POLITICAL DECISIONS THAT CAUSED SIGNIFICANT CHANGE IN EXISTING PAKISTAN PROGRAMS. HE NOTED THAT PRIOR TO THE MILITARY TAKEOVER, THE FRENCH HAD RECEIVED COMPLAINTS ABOUT FRENCH DELAY; PERHAPS THE NEW REGIME WOULD SOON RESUME THE COMPLAINTS.

22. IT WAS LEFT THAT TENTATIVELY THE SECOND MEETING OF THE LONDON SUMMIT GROUP OF EXPERTS WOULD MEET IN PARIS JULY 26 AND 27 WITH JULY 25 FOR A POSSIBLE US-FRENCH BILATERAL. AFTER THE RESULTS OF THE MEETING WERE AVAILABLE FRANCE WOULD BE ABLE TO DECIDE ON ITS PARTICIPATION IN INFCE.  
HARTMAN

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